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Comptroller

9 August 1954

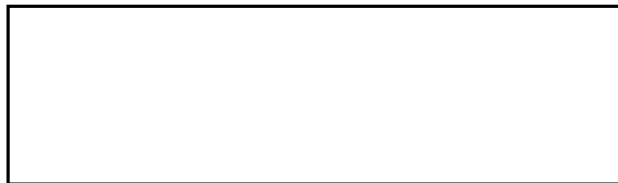
Acting Chief, Monetary Branch

Agent Cashier Procedures

1. In accordance with your request, there is presented herewith a summary of present procedures governing the appointment of agent cashiers, and the policies and regulations relating to the performance of their duties. Included as attachments are samples of the various forms used and charts illustrating the procedures described herein.

2. Any additional information which you may require will be forwarded upon request.

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AGENT CASHIER PROCEDURE

I. DEFINITION

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1. Agency Regulation [] paragraph 1a, states that "Agent Cashiers are employees designated to receive and disburse the confidential funds of the Agency".
 2. The U. S. Treasury Department "Manual of Procedures and Instructions for Agent Cashiers" defines an agent cashier as "an employee of a Federal department, agency, or corporation who, having been recommended by the head of the activity, has been so designated by the Chief Disbursing Officer or a Regional Disbursing Officer and thereby authorized to perform certain disbursing functions under paragraph 2, section 4, of Executive Order 6166 of June 10, 1933". (Section 0101)

II. SELECTION

1. Nominations for appointments of agent cashiers are made by the Chief, Monetary Branch through the Chief, Finance Division, to the Comptroller.
2. The Comptroller reviews these nominations and, if he approves, forwards his recommendation through the Deputy Director (Administration) to the Director of Central Intelligence in accordance with the provisions of Regulation [] paragraph 1b.
3. The Director, if he concurs in the selection, will request the appointment in accordance with the provisions of Regulation [] paragraph 1c, and section 1 of the "Manual of Procedures and Instructions for Agent Cashiers". (See Exhibit I)

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III. APPOINTIVE PROCEDURES

1. At such time as nominations are forwarded by the Chief, Monetary Branch to the Comptroller, the following documents will be prepared in duplicate and submitted in conjunction with such nominations.
 - a. A draft of a letter to be written on the Director's letterhead, addressed to the Chief, Disbursing Officer, Department of the Treasury, requesting the appointment.

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1. (continued)

- b. A forwarding memorandum to the Comptroller from the Chief, Finance Division.
 - c. A summary of the qualifications and experience of the nominee, for review by the Comptroller, the Deputy Director (Administration) and the Director of Central Intelligence.
2. When the nomination is approved by the Director of Central Intelligence, the letter signed by him is returned through the same channels to the Chief, Monetary Branch. This letter is then hand-carried by the nominee and the Chief, Monetary Branch, to the Chief, Disbursing Officer, Department of the Treasury. Evidence of bond, in the amount of \$200,000.00, is also submitted to the Chief Disbursing Officer at this time.
3. At such time as the recommendation of the Director of Central Intelligence has been approved by the Department of the Treasury, the Chief, Monetary Branch will be notified by telephone, with a subsequent confirmation by letter to the Director of Central Intelligence.

IV. ESTABLISHMENT OF AGENT CASHIER CASH FUNDS

1. Funds advanced to agent cashiers within Central Intelligence Agency are normally carried in the form of bank accounts. While this is not in accord with usual Treasury policy, Section 0208 of the Manual of Procedures and Instructions of Agent Cashiers states that in exceptional cases where the need is sufficiently demonstrated, the Chief Disbursing Officer may recommend and the Secretary of the Treasury may authorize a local bank account in the name of the agent cashier, as such, subject to withdrawal by the Chief Disbursing Officer, if or when necessary.
2. Prior to opening a bank account in the name of an agent cashier, a senior official of the bank, cleared by the Agency, is asked to sign an agreement recognizing the authority and limitations under which the account is opened (see sample attached as Exhibit II).
3. The original of this agreement is hand-carried to the Chief Disbursing Officer by the agent cashier, with copies being retained in the Monetary Branch.

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V. BONDING

1. Agent cashiers are required to maintain bond in such form and amount as may be required by the Director of Central Intelligence and the Secretary of the Treasury. Present policy directs the maintenance of bond in the amount of \$200,000.00.

VII. SUPERVISION

1. The activities of agent cashiers must be in accordance with applicable regulations of both the Agency and the Department of the Treasury. An agent cashier thus has a dual responsibility, which is stated in Sections 1301 and 1302 of the "Manual of Procedures and Instructions for Agent Cashiers". These two sections are summarized below.

1301. "The agent cashier is subject to the administrative supervision of the agency in which employed, and must conform to such directives as may be issued for the administrative management of his office".

1302. "The agent cashier is responsible to the Chief Disbursing Officer (or Regional Disbursing Officer), Treasury Department, for the performance of all duties relating to the advance, payment and accountability for funds entrusted to his care".

VII. REQUESTS FOR FUNDS

1. Requests by agent cashiers for advances of funds are submitted to the Department of the Treasury through the Comptroller, on Agency Form No. 33-43, (Exhibit III), which is used for this purpose. When signed by the Comptroller, this form is hand-carried to Treasury Disbursing Officer located in Curie Hall, where checks in specified amounts are issued.
2. Requests by agent cashiers are submitted in accordance with a schedule of estimated needs submitted to the Comptroller by the Chief, Monetary Branch, during the first week of each month. The procedure is graphically presented in Exhibit VII.

VIII. ACCOUNTINGS AND REPORTS TO THE TREASURY DEPARTMENT

1. At the end of each calendar month, each agent cashier must submit a Standard Form 1655, (Exhibit IV), to the Chief Disbursing Officer, Department of Treasury. Attached thereto is a reconciliation of the agent cashier's bank account, prepared by the Chief, Industrial Contracts Audit Branch, who has been charged with this responsibility.

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2. At periodic intervals through the month, agent cashiers will submit to the Department of the Treasury their Standard Form 1034, (Exhibit V), which, when properly executed, serves as a final accounting for the expenditures described thereon. This form must be signed by the agent cashier, the Chief, Finance Division, the Deputy Director (Administration) and the Director of Central Intelligence. To each such accounting is attached a Standard Form 1655. (Exhibit IV).
3. Submission of these reports is illustrated in Exhibit VIII.

II. REPORTS TO THE COMPTROLLER

1. During the first week of each month the Chief, Monetary Branch submits to the Comptroller a list of balances of all agent cashier accounts and a detailed schedule of expenditures during the preceding month.

I. INTERNAL CONTROLS

1. While the administrative controls which have been established within the Monetary Branch could not be completely enumerated here, they conform to standards generally accepted by commercial and financial institutions. Such controls are normally predicated upon the principle of dual responsibility, and the more important procedures now in effect are stated below.
 - a. All cash funds maintained by agent cashiers are under dual control and are balanced daily.
 - b. Bank statements are delivered unopened to the Chief, Industrial Contracts Audit Branch, and are reconciled by him or his designee. Exceptions taken during reconciliation are referred to the Chief, Finance Division, through the Chief, Monetary Branch. Copies of reconciliations are forwarded to the Chief Disbursing Officer, Department of the Treasury as explained in VIII-2 above.
 - c. Check books on all agent cashier bank accounts are in the custody of the Agency Disbursing Officer, who is not himself an agent cashier.

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1. (continued)

- d. On 5 March 1952, Mr. Wolf, then Deputy Director, (Administration) informed each bank holding an agent cashier account that they should not honor any counterchecks and/or unprinted and unnumbered checks presented by any person against the agent cashier account in excess of \$50,000.00. This limitation, rather than an absolute restriction, was in recognition of the fact that under emergency conditions the check-books normally used may not be accessible.
- e. All the assets of the Monetary Branch, including agent cashier cash funds and bank accounts, gold, and commodity assets are subject to unannounced verification by the Audit Office, and by the Chief, Industrial Contract Audit Branch.
- f. Cash funds are held in three-way combination safes within the Finance Division vault. The combinations to these safes are known only to the agent cashier to whom the funds are advanced and to his designated alternate. The electrical alarm system of the vault precludes entrance during non-working hours or holidays without the knowledge of the Agency Security Officer and the [redacted] who installed the system. Even with the knowledge of these officials, the use of a code precludes emergency entrance by anyone other than the Chief and Deputy Chief, Finance Division, and the Chief and Deputy Chief, Monetary Branch. On the morning following an emergency entrance, the [redacted] makes a written report to the Chief, Finance Division, giving the name of the person effecting the entry and the time of opening and closing.
- g. Vouchers recording all receipts and disbursements are examined by the Audit Office.

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ATTACHMENTS:

Exhibit I
Exhibit II
Exhibit III
Exhibit IV
Exhibit V
Exhibit VI
Exhibit VII
Exhibit VIII

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